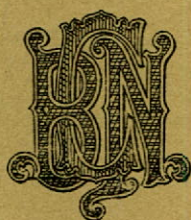


NATIONAL CANADIAN BANK

(BANQUE CANADIENNE NATIONALE)



SEVENTY-SECOND
ANNUAL REPORT
NOVEMBER 30, 1946

NATIONAL CANADIAN BANK

Established 1874

Head Office: MONTREAL

Paid-up Capital and Reserve Fund, \$14,000,000.00

Assets, \$378,956,228.74

SEVENTY-SECOND
ANNUAL REPORT

1946

NATIONAL CANADIAN BANK

BOARD OF DIRECTORS

BEAUDRY LEMAN, *President and Managing Director*

CHAS. LAURENDEAU, K.C., *Vice President*

HON. JACOB NICOL, *Vice President*

L. J. ADJUTOR AMYOT

HON. J. M. DESSUREAULT

HON. C. P. BEAUBIEN

C. E. GRAVEL

ARMAND CHAPUT

A. J. MAJOR

AUGUSTE DESILETS, K.C.

LEO G. RYAN

HEAD OFFICE

CHAS. ST-PIERRE - - - - - *General Manager*

J.-A. DULUDE	}	- - - - -	<i>Assistant General Managers</i>
ULRIC ROBERGE			
P. DE L. TACHÉ			
J. L. DAVIGNON			

J. N. GOSSELIN	}	- - - - -	<i>Superintendents</i>
GEORGES BEAUDRY			

E. BEAUREGARD	}	- - - - -	<i>Managers, Credit Department</i>
RODRIGUE ST-ONGE			

LOUIS ROUSSEAU - - - - - *Chief Inspector*

A. COURTOIS - - - - - *Chief Accountant*

LÉON LORRAIN - - - - - *General Secretary*

216 Branches — 309 Agencies

NATIONAL CANADIAN BANK

SEVENTY-SECOND ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF NATIONAL CANADIAN BANK

Record of Proceedings at the Seventy-second Annual General Meeting of the Shareholders held on Wednesday, 8th January, 1947, at twelve o'clock noon, at the Head Office of the Bank, Place d'Armes, Montreal, Canada.

Among those present were: Messrs. L. J. Adjutor Amyot, J. M. Arpin, André Bachand, Hon. C. P. Beaubien, Messrs. Georges Beaudry, Georges E. Beaudré, Antoine Bernier, J. A. Blondeau, L. Bouthillier, J. H. Brodeur, J. A. Brouillette, Armand Chaput, Emile Chaput, J. A. Courtois, J. E. Coutu, J. L. Davignon, J. V. Desaulniers, Auguste Desilets, K.C., Ovida Desjardins, Louis Desrosiers, Hon. J. M. Dessureault, Dr Eudore Dubeau, Messrs. J. A. Dulude, Francis Fauteux, K.C., Rosario Genest, K.C., A. Gérin-Lajoie, K.C., J. N. Gosselin, C. E. Gravel, Hon. Henri Groulx, Messrs. Paul Guimond, Joseph Hurtubise, L. J. Lacourse, Yvon Lamarre, Charles Laurendeau, K.C., Antoine L'Ecuyer, Alfred Legault, Urgel Legault, Beaudry Leman, J. R. Lemire, Léon Lorrain, C. A. Lussier, Hector Mackay, K.C., A. J. Major, F. M. Marcotte, R. Messier, C. O. Monat, René Morin, N.P., Hon. Jacob Nicol, Messrs. Gérard Parizeau, Châteauguay Perrault, Hon. J. E. Perrault, Messrs. J. Alex. Prud'homme, K.C., J. E. Poirier, Ulric Roberge, Louis Rousseau, P. E. Rousseau, Léo Roy, Leo G. Ryan, R. St-Onge, Charles St-Pierre, P. de L. Taché, Eugène Tarte, Arthur Terroux, J. A. Trudeau.

It was moved by Mr. Emile Chaput, seconded by Mr. J. V. Desaulniers, that Mr. Beaudry Leman be appointed Chairman and Mr. Léon Lorrain Secretary of the Meeting. The motion was unanimously carried.

The Secretary read: (1) Notice calling the Shareholders meeting, as published in the newspapers, (2) Certificates evidencing that the following documents had been forwarded to every shareholder, according to law: (a) Notice of the meeting, (b) A form of proxy, (c) Statement recording the attendance of the Directors at Board meetings, (d) Copy of the record of proceedings at the Annual General Meeting held on January 8, 1946.

The Record of proceedings at the seventy-first Annual General Meeting having been mailed to every shareholder, as evidenced by the certificate just read, it was moved by Mr. Eugène Tarte, seconded by Mr. Arthur Terroux, and unanimously resolved that this record of proceedings be taken as read and confirmed.

On motion by Mr. Albert Blondeau, seconded by Mr. J. H. Brodeur, it was unanimously resolved that Messrs. J. A. Trudeau and Joseph Hurtubise be appointed scrutineers.

The Chairman called upon the General Manager to read the Seventy-second Annual Report of the Board of Directors.

SEVENTY-SECOND ANNUAL REPORT

Gentlemen,

Your Directors have the honour to submit their report on the Bank's operations for the financial year ending November 30, 1946.

PROFIT AND LOSS ACCOUNT

30th NOVEMBER, 1946

Profits for the year ended 30th November, 1946, after making appropriations to Reserves for Contingencies out of which accounts full provision for bad and doubtful debts has been made..... \$ 1,135,313.62

Less:

Dominion Government taxes.....	\$ 331,930.89	
Contribution to Staff Pension Fund.....	140,000.00	
Written off Bank Premises.....	156,792.82	628,723.71
Net Profits after the foregoing deductions.....	\$ 506,589.91	
Dividends (quarterly) at the rate of 7% per annum.....	490,000.00	
Amount carried forward.....	\$ 16,589.91	
Balance at credit of Profit and Loss Account, 30th November, 1945.....		419,569.44
Balance at credit of Profit and Loss Account, 30th November, 1946.....	\$	<u>436,159.35</u>

A. COURTOIS
Chief Accountant

C. ST-PIERRE
General Manager

BEAUDRY LEMAN
President

BALANCE SHEET

30th NOVEMBER, 1946

ASSETS

Subsidiary coin held in Canada.....	\$ 1,099,011.54	
Notes of Bank of Canada.....	10,661,498.00	
Deposits with Bank of Canada.....	33,548,857.31	
Notes of and cheques on other banks.....	11,219,320.06	
Government and bank notes other than Canadian.....	174,837.00	
Deposits with and balances due by other chartered banks in Canada.....	3,294,506.78	
Due by banks and banking correspondents elsewhere than in Canada.....	2,303,309.04	\$ 62,301,339.73
Dominion Government direct and guaranteed securities maturing within two years, not exceeding market value..	90,378,915.61	
Other Dominion Government direct and guaranteed securities, not exceeding market value.....	71,298,484.50	
Provincial Government direct and guaranteed securities maturing within two years, not exceeding market value..	5,346,062.71	
Other Provincial Government direct and guaranteed securities, not exceeding market value.....	17,823,813.94	
Canadian municipal securities, not exceeding market value	12,592,552.94	
Public securities other than Canadian, not exceeding market value.....	625,658.87	
Other bonds, debentures and stocks, not exceeding market value.....	7,854,003.98	
	\$205,919,492.55	
Call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover.....	4,027,030.27	209,946,522.82
		\$272,247,862.55
Current loans and discounts in Canada, estimated loss provided for.....	93,203,848.99	
Loans to Provincial Governments.....	611,770.32	
Loans to cities, towns, municipalities and school corporations.....	5,521,679.30	
Non-current loans, estimated loss provided for.....	15,176.58	99,352,475.19
Liabilities of customers under acceptances and letters of credit as per contra.....	1,492,445.47	
Real Estate other than Bank premises.....	20,051.90	
Mortgages on real estate sold by the Bank.....	522,560.55	
Deposit with the Minister of Finance for the security of note circulation.....	49,430.12	
Bank premises at not more than cost, less amounts written off.....	5,006,178.56	
Other assets.....	265,224.40	7,355,891.00
		<u>\$378,956,228.74</u>

LIABILITIES

Capital paid up.....	\$ 7,000,000.00	
*Reserve fund.....	7,000,000.00	
Balance of Profit and Loss Account.....	436,159.35	
Dividends declared and unpaid (including dividend payable 1st December, 1946).....	132,655.57	\$ 14,568,814.92
Notes of the Bank in circulation.....		800,837.00
Deposits by and balances due to Dominion Government...	25,179,702.68	
Deposits by and balances due to Provincial Governments...	2,675,726.14	
Deposits by the public not bearing interest.....	81,430,970.37	
Deposits by the public bearing interest, including interest accrued to date of statement.....	249,567,660.00	
Deposits by and balances due to other chartered banks in Canada.....	2,171,607.12	
Deposits by and balances due to banks and banking corre- spondents elsewhere than in Canada	989,384.99	362,015,051.30
Acceptances and letters of credit outstanding.....		1,492,445.47
Other liabilities to the public.....		79,080.05
		<u>\$378,956,228.74</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We beg to report to the Shareholders of Banque Canadienne Nationale that we have checked the cash and verified the securities of the Bank at the Chief Office as at 30th November, 1946, as well as at another time during the year, and found they agreed with the entries in the books in regard thereto.

We have examined the books and accounts at Head Office and have compared the above Balance Sheet with these books and with the certified returns from the branches. In our opinion, the Balance Sheet is properly drawn up so as to disclose the true condition of the Bank as at 30th November, 1946, according to the best of our information and the explanations given us, and is as shown by the books of the Bank.

We have obtained all the information and explanations required by us, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

MAURICE CHARTRE, C.A. of Chartré, Samson, Beauvais, Gauthier, & Cie	} Auditors.
IAN A. ROSS, C.A. of P. S. Ross & Sons	

Montreal, December 21, 1946.

BEAUDRY LEMAN
President

C. ST-PIERRE
General Manager

A. COURTOIS
Chief Accountant

* At the end of the fiscal year of this Bank, 30th November, 1933, an amount of \$2,000,000 was transferred from the Reserve Fund to inner reserves. The reasons for this transfer were pointed out at the time in the annual financial statements forwarded to the shareholders. The Board of Directors of the Bank has decided that, as of 30th November, 1946, this amount of \$2,000,000 should be re-conveyed from inner reserves to the Reserve Fund, thus restoring the Reserve Fund to its former amount of \$7,000,000.

The Profit and Loss Account shows earnings for the year of \$1,135,313, compared with \$1,082,033 for 1945. These profits were allocated as follows: provision for Dominion Government taxes, \$331,930; contribution to the staff pension fund, \$140,000; amortization of bank premises, \$156,792. Dividends amounting to \$490,000 were paid, against \$420,000 in 1945, and the credit balance of Profit and Loss Account was raised to \$436,159.

As disclosed in the Balance Sheet, a sum of \$2,000,000 was transferred, as of 30th November, 1946, to the Reserve Fund of the Bank, restoring it to its former amount of \$7,000,000. Total deposits reached a record figure of \$362,015,051 compared with \$335,070,151 in 1945. This advance is all the more noteworthy as government deposits totalling \$27,855,429 were lower by \$26,618,143. Deposits by the public, showing a gain of \$53,067,249 for the year, amount to \$330,998,630. Non-interest-bearing deposits, up \$10,181,958, sum up to \$81,430,970 and interest-bearing deposits, higher by \$42,885,291, amount to \$249,567,660.

Total assets of the Bank, having risen by \$29,606,371 during the year, now stand at \$378,956,229, an all-time high. Cash assets at \$62,301,340 are equal to 17.17% of liabilities to the public. Quick assets amount to \$272,247,863 and represent more than 75% of liabilities to the public.

Current loans and discounts aggregate \$93,203,849, a record figure representing a rise of \$28,215,149, or 43.42% over the preceding year. One must take into account, however, that this amount includes \$6,300,000 of temporary loans secured by bonds of the last Dominion Government issue. It is interesting to note that current loans and discounts for the two former financial years had shown an expansion of 22.8% and of 23.7% respectively. This progress indicates that trade and industry resort more freely to bank credit, but it is also due to a steady increase in the number of the Bank's borrowing customers.

The investments of the Bank, consisting of high grade securities, mostly short term, total \$205,919,493, against \$200,368,983 on 30th November, 1945.

During the year, a new branch was opened in Montreal (2480 Bélanger Street East) and a second branch was established in Granby; 14 sub-agencies were converted into regular branches and 7 new sub-agencies were organized. The Bank now operates 216 branches and 309 sub-agencies.

The difficulties attending the present period of reconversion, to say nothing of the collaboration of the banks with the Dominion Government in many respects, have added, during the past year, to the burden of the staff which had grown more exacting through the development of the Bank's business. The Directors take pleasure in acknowledging that the members of the staff have performed their duties with praiseworthy devotion and loyalty.

THE PRESIDENT'S ADDRESS

Gentlemen,

The comments on last year's operations, in comparison with the figures pertaining to the previous fiscal year, which the General Manager, Mr. Charles St-Pierre, has just submitted, disclose very satisfactory progress.

Before moving the adoption of the Bank's financial statement, I will take leave to make a few remarks regarding economic conditions in Canada and matters of general purport.

Agricultural Production

The yields from agricultural pursuits showed considerable improvement over those of the previous year and may be considered satisfactory. The wheat crop is estimated at 419 million bushels against 306 millions in 1945 and an average of 310 millions for the decennial period 1935-44. The yields of oats, barley and maize exceed the average for this ten-year period, whereas that of rye, although greater than in 1945, is still only two-thirds of the average. The increase in several crops made up for the shrinkage in others. Orchard farming has afforded good returns, but vineyards gave disappointing results. The price index of agricultural products, taking 100 for the period 1935-39, stood, on 15th September 1946, at 184.8 as against 175.7 a year ago. Statistical data indicate that, during the first six months of 1946, the receipts for farm produce amounted to 634 million dollars in comparison with 724½ millions for the same half year in 1945. This decrease is due mostly to a diminution in the sales of wheat, oats, barley and hogs in the Western Provinces. The income accruing to the farmers of other Provinces, notably to those of Quebec, shows improvement.

The Mining Industry

The great stimulus which the war imparted to the mining industry was not, as was to be expected, maintained in 1946. In comparison with the previous year the falling off in the mining of copper, nickel and zinc, was substantial. On the other hand the output of gold, silver and lead was greater. One should not jump to the conclusion that our gold mines have yielded all that could be hoped for. In 1942 the production of gold was curtailed by more than one half, in relation to the record output reached in 1940-41. This shrinkage was due not only to the displacement of man-power towards the mining of metals destined to war industries, but also to enlistments in the army of large numbers of miners. Our gold-bearing deposits are numerous but they are not all high grade. It would appear desirable to give careful study to the opportunity of granting some relief to the producers of gold, either in the form of reducing taxation, or else through subsidies or possibly by allowing them to sell abroad if better prices are obtainable. Adequate means

should be found to enable our gold mining industry to obtain a reward more commensurate with enhanced operating costs and the risks involved.

The Building Industry

The building industry, spurred by pressing demands, has shown, during the last three years, a vigorous tendency towards recovery. Since 1945 the value of building contracts has been steadily increasing. For the first ten months of 1943 the amount of the contracts awarded was 180 millions, steadily mounting to 260 millions in 1944, to 338 millions in 1945 and to 579 millions in 1946. However, the shortage of building materials, which delays the carrying out of many of these projects, prolongs the housing shortage and prevents the establishment or enlargement of many plants.

The Economic Activity

The index of employment, while slightly lower than during the war years, has been higher during the last year, standing, on 1st October 1946, at 177.9, against 168.7 on the same date of the previous year. These figures were topped only in the period 1942-44. Whereas there is a scarcity of man-power in certain fields, the industrial recovery is not uniform. We find that the pulp and paper industries, flour-milling, the textiles and shoe manufacturing, are working at full or nearly full capacity. But in other branches the volume of output still falls short of the pent up demand of the people. This divergence between the volume of goods offering and the demand of the consumers doubtless accounts for the maintenance of price controls over many products. It is however very difficult to coordinate two antagonistic policies. No one would expect an automobile to function smoothly if simultaneously the operator jams on the brakes and presses on the accelerator. It would not seem that the best method of stimulating production is to destroy the profit motive through the instrumentality of price ceilings and burdensome taxation.

The strikes which were rife in our country during the last year, particularly those which paralyzed the steel industry and whose consequences will be far-reaching, have seriously impeded the re-conversion of our national economy to peace time conditions. This situation was all the more deplorable as circumstances were favorable to a resumption of widespread business activity. But one should not be unduly surprised at the attitude of a number of labor leaders, not only in Canada, but in other countries. Inspired and encouraged by the off-hand manner in which the State had been appropriating the income of private companies and of individuals, laborers or capitalists, it occurred to them that possibly they could take a similar line of action and apply it to their sole benefit. But behold! the State had gotten the start and taken the lead, and the most important sources of revenue were already tapped, if not exhausted, and the consumer, the ever forgotten man, was showing unmis-

takable signs that he was becoming aware of his power. A new ceiling was taking form, a ceiling stronger than that set by the bureaucrats, a ceiling extending beyond the reach of price controls: the ceiling resting on public opinion, which, already weary of the exactions prevailing, was refusing to shoulder others or more burdensome ones. It became apparent that no social group or class could shake off the load of imposts which weigh upon the whole nation.

True enough, this country has paid out of its resources the expenses incurred during the war, but if Canada wishes to resume its development and progress, the resources used up must not only be made good but new resources must be built up. Many people are labouring under the delusion that the rehabilitation of our financial and monetary structure can be accomplished without the whole-hearted and self-denying co-operation of all groups comprised in the nation. Capital alone cannot make good the deficiencies which exist. No effective remedy is to be found in shifting from one group unto the other a load which must be equitably distributed. Capital, wealth, labour, agriculture and all classes of society must bear their fair share of the load and no particular group can shirk its duty to Canada. Moreover, in seeking to apportion the burden which the people of this country are called upon to bear, the State should set the good example of self-restraint and should bear in mind both the needs and resources of the people of Canada.

Inflation

Many countries, after setting in motion the factors that bring about inflation, are now endeavouring to check their inevitable effects by bureaucratic controls. That satisfactory results can be achieved by this method is questionable. Past experience would seem to indicate that the best, if not the only cure for inflation, is not the establishment of restrictive measures, but the bringing about of abundance of supply in relation to demand.

The redistribution of wealth and related theories are illusory. There is very little accumulated wealth to be distributed and social welfare and progress are dependent on the creation and saving of new wealth, through hard work and thrift. In modern times, Russia has given conclusive proof that the distribution of riches does not and cannot improve the standard of living of the masses.

In order to increase production, capital is needed so as to have more and better tools and industrial equipment. Commendable efforts are being made by Canadian authorities to encourage thrift amongst all classes of society. It is undoubtedly desirable that the people of Canada understand that capital is built up through the savings of the people and that capital is indispensable in a country which, like Canada, has vast resources still undeveloped. There is one feature however which should not be lost sight of, to wit: that thrift and savings habits cannot be developed and fostered if good example is not given by those who exercise authority. The practice

of self-denial and restraint and the lessons of economy are lost if governments show extravagance in the administration of what has been saved by the public.

Burdensome Taxation

Not only is the high level of taxation in this country prejudicial to its economic progress, but there are good reasons to believe that it may defeat the purpose which it seeks to achieve. In fiscal matters, much as in the sphere of business, the law of "diminishing returns" applies. This would seem to be more in evidence in democratic countries wherein the individual retains a measure of personal liberty. Taxation should not be so high that the majority of the taxpayers assume a hostile or non co-operative attitude towards the taxing authority. Many people who, during the war, were talking of fighting to their last cent, appear to be now prepared to fight for their last cent. Reasonable taxation, which does not antagonize the population upon which it is levied, is a vital necessity in a country which seeks prosperity and progress.

The National Income

The "national income" is a very convenient term, but it is the source of many and far-reaching misunderstandings. The national income is frequently referred to as a sign and measure of the prosperity of a country. If, on the one hand, the national revenue has increased from one year to another, on account of a greater output of goods, the prices of which are lower or at least have remained stationary, one is warranted in considering that progress has been achieved. But if, on the other hand, the increase in the national income is due principally to a rise in prices, it is clear that the people are no better, if not worse off.

In the minds of some people, "national income" connotes something impersonal, something derived from nobody and from nowhere, something which appertains to the State and which flows continuously from some unknown source. The unpalatable truth is that in reality there is no such thing as "national income", apart from the income earned in a country by its nationals, whose toil and thrift produce revenue, a portion of which is appropriated by the State. Stripped of many elaborate furbelows the "national income" is nothing more than what the people of a country have contributed individually. No more than in nature, is there any spontaneous generation of the national income. Man's toil, with the aid of capital, which supplies the tools and instruments of production, both applied to the resources of a country, such is the fountain from which flows wealth, which in turn maintains the national income.

International Trade

The external trade of Canada, although lower than during the war years, is nevertheless greater than in 1939. Statistical data

covering foreign trade during the last year do not warrant forecasts as to the future, inasmuch as our exports are bolstered up by loans and credits. There remains to be seen to what extent our foreign markets will be maintained when the world is restored to normal conditions and when we may expect to be paid for what we have to sell as we now pay for what we buy.

International trade now has and hereafter may have to contend with many difficulties. Formerly the exporter had to overcome mainly customs tariffs. He now has to face a number of obstacles such as quotas, foreign exchange controls and other impediments, not the least of which is bulk purchasing by one government from another. In some cases this constitutes an insurmountable obstacle, inasmuch as private individuals may not enter into competition with their own governments.

Canada is faced with a difficult and momentous problem to find markets for its surplus production on a sound commercial and financial basis. The matter of selling abroad large surpluses of wheat, cattle and other products of the farm, also considerable quantities of lead, zinc, copper, nickel, asbestos and lumber, is of paramount importance. Canada must reckon with an impoverished world, with great uncertainties in regard to foreign currencies and with exchange controls, all of which increase the hazards of foreign trade. It is not sufficient to state that in order to sell we must be prepared to buy, which is self-evident. What should not be ignored is that Canada has a population of some twelve million inhabitants and that, even taking into account a relatively high standard of living, there are well defined limits beyond which we cannot be expected to purchase foreign goods to the full value of our exportable surpluses. It is doubtful if this object could be attained, even if we were disposed to dislocate and close down our domestic industry. We must bear in mind that during the six years of war, if the products of our domestic industry had been denied us, conditions in Canada would have been unbearable. Moreover, such action would create a shocking disturbance in our whole economic set-up, particularly in the provinces which have a fairly well balanced production, as between agricultural and mineral output on the one hand, and manufactured goods on the other hand. It would be impracticable to envisage the throwing out of employment of thousands of labourers who have permanently established themselves in industrial centres.

The solidarity of Eastern manufacturing interests and of Western agricultural and mining interests is recognized, but it should be noted also that those who are engaged in the production of goods destined to foreign markets assume greater risks than those producing within a balanced economy. This condition would seem to afford good reason wherefor our surplus wheat, metals and other minerals, should receive, when the demand is good, the highest prices available on world markets. If we are denying ourselves the maximum profit on goods now in demand, without the assurance that we will later avoid depressed prices, we are lacking in business

acumen. It is much easier to prevent a rise in prices in one country than to devise measures that could and would effectively forestall a slump in international trade.

Forecasts Would Seem Hazardous

The political and economic disorders which plague the world, an aftermath of the greatest conflict of all times, make it difficult to venture any forecasts. The intervention of Governments, in matters of price controls, of foreign loans and of bulk purchasing, in many cases, conceals the real situation and deep-set dislocations. Moreover the numerous factors which would have to be taken into account and the multitudinous elements which would have to be considered might well sum up to conjectures and guesses. It would seem that, under present circumstances, it is safer to abide by well tried rules of prudence.

The scrutineers reported that 30,780 shares were present and 302,528 represented by proxy at the Meeting, a total of 333,308 shares.

It was moved by Mr. Beaudry Leman, seconded by Mr. Charles Laurendeau, and unanimously resolved, that the Seventy-second Annual Report of the Board of Directors be approved by the Shareholders.

Mr. Rosario Genest, K.C., moved, seconded by Mr. Francis Fauteux, K.C., that the Shareholders, who are gratified with the highly satisfactory results achieved during the past year, which showed substantial progress, wish to congratulate the Directors of the Bank.

The motion was unanimously carried.

The President thanked the movers of the resolution and the Shareholders present, on behalf of his fellow-members of the Board as well as in his own name.

Hon. Henri Groulx, seconded by Mr. Alfred Legault, moved that the thanks of the Shareholders be extended to the General Manager, the officers and the members of the staff of the Bank who, through the conscientious discharge of their duties, have largely contributed to the satisfactory results of the past year.

The motion was unanimously adopted.

"It is my privilege, said Mr. St-Pierre, to thank the movers of this resolution acknowledging the value of the services rendered by the members of the staff of the Bank. This commendation is all the more appreciated as it is well deserved."

The Secretary read letters from Mr. Maurice Chartré, C.A., of Chartré, Samson, Beauvais, Gauthier & Co., and from Mr. Jean Valiquette, C.A., of Anderson & Valiquette, offering their services to the Bank as auditors for the fiscal year 1946-47.

Upon motion of Mr. C. O. Monat, seconded by Dr. E. Dubeau, it was unanimously resolved that Messrs. Maurice Chartré, C.A., and Jean Valiquette, C.A., be appointed auditors, for the fiscal year ending November 30, 1947, and that their remuneration be set at a total amount of \$10,000 to be divided between them according to the time devoted by each to the affairs of the Bank.

It was moved by Mr. J. Alex. Prud'homme, seconded by Mr. Gérard Parizeau, and unanimously resolved: That Mr. Beaudry Leman and Mr. Charles Laurendeau be authorized, together or severally, to act as attorney or proxy of Banque Canadienne Nationale at any and all meetings of the shareholders of Banque Canadienne Nationale (France) and to delegate their powers, as such, to any person or persons which they may nominate.

Hon. J. E. Perrault moved, seconded by Mr. Eugène Tarte, that the Meeting proceed to the election of Directors and that one ballot be cast evidencing the decision of the Meeting. This motion was unanimously carried.

A ballot was handed to the scrutineers who reported that the following Shareholders had been elected Directors of the Bank:

Mr. L. J. Adjutor Amyot
Hon. C. P. Beaubien
Mr. Armand Chaput
Mr. Auguste Desilets, K.C.
Hon. J. M. Dessureault
Mr. C. E. Gravel
Mr. Charles Laurendeau, K.C.
Mr. Beaudry Leman
Mr. A. J. Major
Hon. Jacob Nicol
Mr. Leo G. Ryan

The scrutineers' report was unanimously confirmed.
The Meeting then adjourned.

At a meeting of the Board of Directors of the Bank held immediately after the Annual Shareholders' Meeting, Mr. Beaudry Leman was elected President and Managing Director of the Bank and Mr. Charles Laurendeau and Hon. Jacob Nicol were elected Vice Presidents.

Principal Correspondents of the Bank

UNITED STATES

NEW YORK:

Bankers Trust Company
Chase National Bank
Chemical Bank & Trust Co.
Guaranty Trust Company of New York
Irving Trust Company
National City Bank
New York Trust Company
Public National Bank & Trust Co.

BOSTON:

First National Bank
National Shawmut Bank

BUFFALO:

Marine Trust Company

CHICAGO:

Continental Illinois National Bank and Trust Co.

LOS ANGELES:

Security-First National Bank of Los Angeles

PHILADELPHIA:

Philadelphia National Bank

PITTSBURGH:

Mellon National Bank and Trust Company

ST. PAUL:

First National Bank

SAN FRANCISCO:

Bank of America National Trust & Savings Association

WASHINGTON:

Riggs' National Bank

BELGIUM

ANTWERP:

Banque de Commerce

BRUSSELS:

Banque de Bruxelles

SPAIN

BARCELONA:

Banco Espanol de Credito

FRANCE

PARIS:

Banque Canadienne Nationale (France)

Banque de Paris et des Pays-Bas

Comptoir National d'Escompte de Paris

Crédit Commercial de France

Crédit Lyonnais

Société Générale

Société Générale de Crédit Industriel et Commercial

ENGLAND

LONDON:

Barclays Bank Limited

Clydesdale Bank Limited

Comptoir National d'Escompte de Paris

Crédit Lyonnais

Société Générale de Crédit Industriel et Commercial

NETHERLANDS

ROTTERDAM:

Rotterdamsche Bankvereniging

ITALY

ROME:

Banca Commerciale Italiana

NORWAY

OSLO:

Christiania Bank og Kreditkasse

SWITZERLAND

BASEL:

Société de Banque Suisse

Other correspondents in all parts of the world.

